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Paul Urges Colleagues to Abolish Withholding Tax

Washington, D.C.- In a letter written to his Congressional colleagues, Representative Ron Paul urged support for the "Cost of Government Awareness Act of 2000" (H.R. 4855), a bill he recently introduced for consideration by the House Ways and Means committee. The principal feature of the legislation is the elimination of withholding taxes, a measure designed to restore to taxpayers a sense of how much they pay each month to fund the federal government. "Withholding taxes are fundamentally deceptive" Paul stated. "The government knows that the easiest way to tax workers is by taking payments directly out of their paychecks. The premise is that the taxpayer won't miss the portion of his paycheck he never gets. As a result, Congress has had an easier time of steadily raising taxes. I want taxpayers to keep all of their paychecks, and pay for government each month with their mortgage and other bills. Then Americans will see just how much of their income goes to taxes, and hopefully they will demand true tax reform." "Withholding taxes are presumptively taken, often resulting in an interest-free loan by the taxpayer to the Treasury which is not refunded until sometime the next year" Paul continued. "Furthermore, employers face a tremendous burden complying with the withholding requirements. Private employers should not be required to determine and collect federal tax liabilities. The federal government ought to have the honesty to present the American people with a monthly tax bill." "It is time to end the deception of withholding taxes, which hide the true cost of government and make tax increases more feasible" Paul concluded. "My legislation is designed to create support for dramatically reduced income taxes and a simpler system."